

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
CORE SCIENTIFIC, INC., et al.,	§	
	§	Case No. 22-90341 (CML)
	§	
	§	(Jointly Administered)
Debtors. <sup>1</sup>	§	

**OBJECTION OF COLO PROPERTIES ATLANTA LLC TO THE DEBTOR'S  
AMENDED NOTICE OF CURE AMOUNTS RELATED TO THE ASSUMPTION OF  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION  
WITH CONFIRMATION OF PLAN**

**[Related to Docket No. 1735]**

Colo Properties Atlanta LLC and its manager Digital Realty Trust LP (collectively “Digital”) by and through its counsel Eckert Seamans Cherin & Mellott, LLC hereby objects (“Objection”) to the cure amounts set forth in the *Amended Notice of Cure Amounts Related to the Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Confirmation of Plan* [ECF No. 1735] and *Schedule I annexed thereto* (the “Cure Notice”). Digital respectfully states:

1. On December 21, 2022 (the “Petition Date”), the above captioned debtors filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (“Bankruptcy Code”).
2. The debtors continue to operate their business and manage their properties as

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters is 210 Barton Springs Road, Suite 300, Austin, Texas 78704. The Debtors’ service address is 2407 S. Congress Ave, Suite E-101, Austin, Texas 78704.

debtors-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.

3. Digital is a party to a master terms and conditions agreement with Core Scientific Inc, one of the above captioned debtors (the “Debtor”). Pursuant to the master terms and conditions agreement, Digital granted the Debtor a license to install certain information technology and/or telecommunication equipment at its Atlanta data center facility and to interconnect to a carrier using Digital’s infrastructure at those facilities. Under the Agreement Digital also provides the Debtor with electrical power, air conditioning, lighting, facility management services, fire suppression, repairs and maintenance (the “Agreement”).

4. The Agreement is identified on page 3 of Schedule 1 to the Assumption Notice.

5. The Debtor seeks to assume the Agreement and has filed the Cure Notice which incorrectly lists the Debtor’s proposed cure amounts as \$0.00 (“Debtor’s Proposed Cure Amounts”).

6. Digital objects to the Debtor’s Proposed Cure Amounts as set forth in the Assumption Notice because the correct cure amounts due and owing under the Agreement as of the date of this filing for is \$4,352.30 as set forth in the Invoices is attached to this Objection as Exhibits “A” (“Correct Cure Amounts”). These amounts represent, inter alia, pre- petition unpaid balances due under the Agreement known as of the date of this filing.

7. Digital further object to the Debtor’s Proposed Cure Amounts in that they do not take into consideration the passage of time between the filing of the Assumption Notice and the effective date of any assumption of the Agreement by the Debtor. Accordingly, any order that is entered establishing cure amounts with respect to the Agreement must require that the Debtor (i) comply with all obligations under the Agreement pursuant to 11 U.S.C. § 365(d)(3) pending the actual assumption of the Agreement; and (ii) cure any additional defaults that may occur under the

Agreement between the date of this Objection and the effective date of any assumption by the Debtors. See 11 U.S.C. § 365(b)(1).

### **ARGUMENT**

8. Bankruptcy Code § 365(b) governs the financial obligations of a debtor that wishes to assume and assign a lease. As a condition to the assumption of an unexpired lease, § 365(b) requires the trustee to:

(A) cures, or provides adequate assurance that the trustee will promptly cure, such default;

(B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and

(C) provides adequate assurance of future performance under such contract or lease.

11 U.S.C. § 365(b)(1). *See also: Agri Star Meat & Poultry, LLC v. Nevel Props. Corp. (In re Nevel Props. Corp.)*, 765 F.3d 846, 849 (8th Cir. 2014) (stating that a lease cannot be assumed unless a cure has been effected); *In re Alipat, Inc.*, 36 B.R. 274, 276 (Bankr. E.D. Mo. 1984) (“[I]f there has been a default in an executory contract or unexpired lease, the trustee may not assume such contract or lease unless he or she cures the default, compensates the other party, and provides adequate assurance of future performance...”).

9. The Debtor is therefore required to promptly cure all existing defaults by paying Digital the Correct Cure Amounts immediately upon the assumption of the Agreement.

10. Prior to the Agreement actually being assumed, all other amounts that will become due and owing under the Agreement, also need to be cured to the extent such amounts remain unpaid.

**RESERVATION OF RIGHTS AND JOINDER**

11. Digital reserve the right to assert any and all other claims against the Debtor arising out of or related to the Agreement, including without limitation, claims for (a) the costs of any repair that may be necessary after inspection of the premises; (b) post-petition and other charges accruing under the Agreement that Digital have yet to discover and not yet identified on Exhibit “A”; (c) pecuniary losses suffered by Digital, attorneys’ fees and costs incurred as a direct result of any further defaults; and (d) non-monetary defaults of which Digital does not have knowledge at this time. To the extent applicable, Digital reserve all rights to object to any proposed assignee of the Agreement on any basis, to the extent the Debtor seeks to assign the Agreement, as well as any other rights it now has or may have under applicable law with respect to this matter including but not limited to any rights under Section 365 of the Bankruptcy Code. To the extent not inconsistent herewith, Digital hereby joins in the objections raised by other counterparties similarly situated.

**CONCLUSION**

12. Digital respectively submits that the Correct Cure Amounts should be allowed (subject to adjustment by Digital) in the amounts set forth herein, and the Court should grant such other relief that the Court finds just and proper.

WHEREFORE, Digital, respectfully requests the Court enter an Order (i) sustaining this Objection, (ii) conditioning the Debtor’s assumption of the Agreement on Debtors payment in full of all amounts owing to Digital under the Agreement through the effective date of any assumption, including attorneys' fees and costs within 5 calendar days of the entry of any assumption order, (iii) requiring the assignee to comply with each and every term, condition and obligation set forth in the Agreement, including but not limited to any other accrued year- charges

provided in the Agreement that have not yet been billed, and (iv) granting all such other and further relief as this Court considers proper and just.

Dated: White Plains, New York  
February 2, 2024

Eckert Seamans Cherin & Mellott, LLC  
Attorneys for Creditor Colo Properties Atlanta LLC  
and its manager Digital Realty Trust LP

/s/Nicholas A. Pasalides  
Nicholas A. Pasalides, Esq. (*pro hoc vice pending*)  
10 Bank Street, Suite 700  
White Plains, NY 10606  
npasalides@eckertseamans.com

DIAMOND McCARTHY LLP

/s/ Christopher D. Johnson  
Christopher D. Johnson (SBN 24012913)  
909 Fannin, Suite 3700  
Houston, TX 77010  
Tel. 713-333-5100  
Chris.johnson@diamondmccarthy.com

**CERTIFICATE OF CONFERENCE**

I hereby certify that I have spoken with counsel for the Debtor; however, we have been unable to resolve the issue prior to the deadline to file the objection.

/s/Nicholas A. Pasalides  
Nicholas A. Pasalides

**CERTIFICATE OF SERVICE**

I hereby certify that I served a true and correct copy of the foregoing to all counsel of record via CM/ECF on this the 2<sup>nd</sup> day of February, 2024.

s/Christopher D. Johnson  
Christopher D. Johnson

# EXHIBIT A



DIGITAL REALTY

## Customer Invoice

Page 1 of 1

**Licensor**

Colo Properties Atlanta, LLC  
56 Marietta Street  
Atlanta, GA 30303  
USA

**Billing Address**

Core Scientific, Inc.  
2800 Northup Way, Suite 220  
Bellevue WA 98004  
USA  
Attn: Matt Merkel

**Invoice Details**

**Invoice Date:** 02/01/2022  
**Invoice #:** 020-706086  
**Invoice Due Date:** 02/01/2022  
**Payment Terms:** Due 1st of the month  
**Invoice Type:** Monthly Recurring  
**PO Reference:**  
**Account #:** 020-C100450

Item	Monthly Recurring Charge Description	Qty	Rate (\$)	Tax(Y/N)	Tax (\$)	Amount (\$)
1	Full Cabinet - 24 x 42 (in) 45 RU : Case#: 566084	2	0.00	N		0.00
2	kW Power : Case#: 566084	4	444.50	N		1,778.00
3	208V/20A 1P Power Circuit Redundant : Case#: 566084	2	0.00	N		0.00
4	208V/20A 1P Power Circuit Primary : Case#: 566084	2	0.00	N		0.00
5	Fiber - 3 Pack : Case#: 566084	1	648.90	N		648.90
6	Service Exchange Port - 10G : Case#: 580614	1	525.00	N		525.00
7	Digital Realty Internet Exchange - 10 GigE Port : Case#: 567487	1	648.90	N		648.90
8	Fiber - 3 Pack, 002.01.08.62 p 7-12 : Case#: 659878	1	618.00	N		618.00
<b>Subtotal (\$) February 2022 for Monthly Recurring Charges</b>						<b>4,218.80</b>

**Total Current Charges:** \$4,218.80

**Invoice Message**

For questions regarding this invoice please contact  
ColocationBillingTeam@digitalrealty.com. Thank you.

**Please detach and include with your payment**

**Remit Account Details**

Colo Properties Atlanta, LLC  
P.O. Box 419729  
Boston, MA 02241-9729

**Questions?**

[ColocationBillingTeam@digitalrealty.com](mailto:ColocationBillingTeam@digitalrealty.com)

**Wire Instructions**

Bank of America NA  
Wire Routing: 026-009-593  
ACH Routing: 121-000-358  
Account: 1291569047  
Acct Name: Telx, LLC

**Invoice Date:** 02/01/2022  
**Invoice #:** 020-706086  
**Invoice Due Date:** 02/01/2022  
**Account #:** 020-C100450

One State Street, 21st Floor | New York, NY 20004 : [ColocationBillingTeam@digitalrealty.com](mailto:ColocationBillingTeam@digitalrealty.com)

**Invoice #: 020-706086**

Page 1 of 1





## Customer Invoice

Dear valued customer,

Throughout 2022, we focused on creating one global, consistent customer experience, and last June we shared the announcement that we will simplify our presence in the market with a new global, unified brand.

The world is growing more and more digital and our reliance on technology and connectivity is constantly growing and evolving. Our customers are finding new and innovative ways to deliver experiences in the digital world. At Digital Realty, we are evolving just as fast, with one purpose: To bring companies and data together, in bold new ways, to power the innovation determining our future.

Since September, we have been transitioning to our new brand globally. The rebrand is solely focused on the visual identity of the company and bringing the company's brands together. **Starting May 1st our new logo will appear on all of our invoices and statements.**

We also want to reiterate that we remain committed to continuing our focus on creating one global, consistent customer experience.

If you have questions, please contact our Customer Success team at: [customersuccessteam@digitalrealty.com](mailto:customersuccessteam@digitalrealty.com).

Thank you for being our customer. We look forward to continuing to serve you so that we can unlock new opportunities for your business together.

Thank you,  
Digital Realty Accounts Receivable



## Customer Invoice

### Licensors

Colo Properties Atlanta, LLC  
56 Marietta Street  
Atlanta 30303  
United States

### Billing Address

Core Scientific, Inc.  
2800 Northup Way, Suite 220  
Bellevue, WA 98004  
United States

### Invoice Details

Invoice Date: 11/28/22  
Invoice #: 22016154  
Invoice Due Date: 12/28/22  
Payment Terms: Net 30  
Invoice Type: Service Exchange  
PO Reference:  
Legacy BAN : 020-C100450  
New BAN: ATL013-240341-5076  
Account #: 240341

Item	Recurring Charge Description	Qty	Rate(\$)	Tax (Y/N)	Tax(\$)	Amount(\$)
1	4% GA Sales Tax on \$500 MPID: 360bf1ed-65ff-41b5-8cb6-68984ae1e59d (44835-44866)	1	20	No	0.00	20.00
2	2% GA Sales Tax on \$500 MPID: 360bf1ed-65ff-41b5-8cb6-68984ae1e59d (44835-44866)	1	10	No	0.00	10.00
3	1.9% GA Sales Tax on \$500 MPID: 360bf1ed-65ff-41b5-8cb6-68984ae1e59d (44835-44866)	1	9.5	No	0.00	9.50
4	1% GA Sales Tax on \$500 MPID: 360bf1ed-65ff-41b5-8cb6-68984ae1e59d (44835-44866)	1	5	No	0.00	5.00
<b>Subtotal (\$) for Recurring Charges</b>						<b>44.50</b>



## Customer Invoice

*Please remit payments to our lockbox address provided below, so that your payments are applied timely and accurately.  
In order to prevent misapplication and possible late fees, kindly send remittance instruction to [ColoUSRemittance@digitalrealty.com](mailto:ColoUSRemittance@digitalrealty.com) at time of payment.*

### Remit Account Details

Checks must include Invoice Number(s).  
Colo Properties Atlanta, LLC  
P.O. Box 419729  
Boston, MA 02241-9729

### Questions?

[ColocationBillingTeam@digitalrealty.com](mailto:ColocationBillingTeam@digitalrealty.com)

### Wire & ACH Instructions

Payments must include Invoice Number(s).  
Bank of America NA  
Wire Routing: 026-009-593  
ACH Routing: 121-000-358  
Account: 1291569047  
Acct Name: Telx, LLC

### Invoice Date:

11/28/22

### Invoice #:

22016154

### Invoice Due Date:

12/28/22

### Legacy BAN

020-C100450

### New BAN

ATL013-240341-5076

### Account#

240341

### Invoice Message

For questions regarding this invoice please contact  
[ColocationBillingTeam@digitalrealty.com](mailto:ColocationBillingTeam@digitalrealty.com) Thank you.

**Total Current Charge:** \$44.50



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Digital Realty Accounts Receivable



## Customer Invoice

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Colo Properties Atlanta, LLC  
56 Marietta Street  
Atlanta 30303  
United States

### Billing Address

Core Scientific, Inc.  
2800 Northup Way, Suite 220  
Bellevue, WA 98004  
United States

### Invoice Details

Invoice Date: 12/16/22  
Invoice #: 22017136  
Invoice Due Date: 01/15/23  
Payment Terms: Net 30  
Invoice Type: Service Exchange  
PO Reference:  
Legacy BAN : 020-C100450  
New BAN: ATL013-240341-5076  
Account #: 240341

Item	Recurring Charge Description	Qty	Rate(\$)	Tax (Y/N)	Tax(\$)	Amount(\$)
1	4% GA Sales Tax on \$500 MPID: 360bf1ed-65ff-41b5-8cb6-68984ae1e59d (44866-44896)	1	20	No	0.00	20.00
2	2% GA Sales Tax on \$500 MPID: 360bf1ed-65ff-41b5-8cb6-68984ae1e59d (44866-44896)	1	10	No	0.00	10.00
3	1.9% GA Sales Tax on \$500 MPID: 360bf1ed-65ff-41b5-8cb6-68984ae1e59d (44866-44896)	1	9.5	No	0.00	9.50
4	1% GA Sales Tax on \$500 MPID: 360bf1ed-65ff-41b5-8cb6-68984ae1e59d (44866-44896)	1	5	No	0.00	5.00
<b>Subtotal (\$) for Recurring Charges</b>						<b>44.50</b>



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### Remit Account Details

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Colo Properties Atlanta, LLC  
P.O. Box 419729  
Boston, MA 02241-9729

### Questions?

[ColocationBillingTeam@digitalrealty.com](mailto:ColocationBillingTeam@digitalrealty.com)

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Payments must include Invoice Number(s).  
Bank of America NA  
Wire Routing: 026-009-593  
ACH Routing: 121-000-358  
Account: 1291569047  
Acct Name: Telx, LLC

### Invoice Date:

12/16/22

### Invoice #:

22017136

### Invoice Due Date:

01/15/23

### Legacy BAN

020-C100450

### New BAN

ATL013-240341-5076

### Account#

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Digital Realty Accounts Receivable



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56 Marietta Street  
Atlanta 30303  
United States

### Billing Address

Core Scientific, Inc.  
2800 Northup Way, Suite 220  
Bellevue, WA 98004  
United States

### Invoice Details

Invoice Date: 01/23/23  
Invoice #: 23007259  
Invoice Due Date: 02/22/23  
Payment Terms: Net 30  
Invoice Type: Service Exchange  
PO Reference:  
Legacy BAN : 020-C100450  
New BAN: ATL013-240341-5076  
Account #: 240341

Item	Recurring Charge Description	Qty	Rate(\$)	Tax (Y/N)	Tax(\$)	Amount(\$)
1	4% GA Sales Tax on \$500 MPID: 360bf1ed-65ff-41b5-8cb6-68984ae1e59d (12/1/2022-1/1/2023)	1	20	No	0.00	20.00
2	2% GA Sales Tax on \$500 MPID: 360bf1ed-65ff-41b5-8cb6-68984ae1e59d (12/1/2022-1/1/2023)	1	10	No	0.00	10.00
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Bank of America NA  
Wire Routing: 026-009-593  
ACH Routing: 121-000-358  
Account: 1291569047  
Acct Name: Telx, LLC

### Invoice Date:

01/23/23

### Invoice #:

23007259

### Invoice Due Date:

02/22/23

### Legacy BAN

020-C100450

### New BAN

ATL013-240341-5076

### Account#

240341

### Invoice Message

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**Total Current Charge:** \$44.50